



**Doral Performing Arts and Entertainment Academy**  
**WL# 7009**  
(A charter school under The Doral Academy, Inc.)

Doral, Florida

Financial Statements and  
Independent Auditors' Report

June 30, 2021

## TABLE OF CONTENTS

General Information . . . . .	1	
Independent Auditors' Report. . . . .	2-3	
Management's Discussion and Analysis (Required Supplementary Information) . . . . .	4-8	
<b>Basic Financial Statements:</b>		
<i>Government-wide Financial Statements:</i>		
Statement of Net Position. . . . .	9	
Statement of Activities. . . . .	10	
<i>Fund Financial Statements:</i>		
Balance Sheet - Governmental Funds. . . . .	11	
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position. . . . .	12	
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds. . . . .	13	
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities. . . . .	14	
Notes to the Basic Financial Statements . . . . .	15-26	
<b>Required Supplementary Information:</b>		
Budgetary comparison schedules. . . . .	27-28	
<b>Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> . . . . .</b>		29-30
Management Letter . . . . .	31-32	

Doral Performing Arts and Entertainment Academy

W/L#: 7009

11100 NW 27<sup>th</sup> Street  
Doral, FL 33172

2020-2021

BOARD OF DIRECTORS

Angela Ramos, Director, President and Chair

Rene Rovirosa, Director, Secretary and Treasurer

Kim Guilarte, Director

Fabiana Campos, Director and Parent Representative

Miranda Murillo, Director and Student Alumni Representative, elected January 1, 2021

Ana Guimaraes, Director and Student Alumni Representative, resigned January 1, 2021

SCHOOL ADMINISTRATION

Carlos Ferralls, Principal



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Doral Performing Arts and Entertainment Academy  
Doral, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Doral Performing Arts and Entertainment Academy (the "School"), a charter school under The Doral Academy, Inc., as of, and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

396 Alhambra Circle, Suite 900, Coral Gables, FL 33134 • Tel: 305.446.3022 • Fax: 305.446.6319  
[www.hlbgravier.com](http://www.hlbgravier.com)

HLB Gravier, LLP is a member of  International. A world-wide organization of accounting firms and business advisers.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Doral Performing Arts and Entertainment Academy as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

As described in Note 1, the accompanying financial statements referred to above present only the financial position of Doral Performing Arts and Entertainment Academy as of June 30, 2021, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of The Doral Academy, Inc. These financial statements do not purport to and do not present fairly the financial position of The Doral Academy, Inc. as of June 30, 2021 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and 27 through 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2021 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 14, 2021

**Management's Discussion and Analysis**  
Doral Performing Arts and Entertainment Academy  
(A Charter School Under The Doral Academy, Inc.)  
June 30, 2021

The corporate officers of the Doral Performing Arts and Entertainment Academy have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2021.

**Financial Highlights**

1. The net position of the School at June 30, 2021 was \$5,410,825.
2. At year-end, the School had current assets on hand of \$3,747,592.
3. The net position of the School had an increase in its net position of \$606,362 for the year ended June 30, 2021.
4. The unassigned fund balance at year end was \$3,215,436.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2021 are presented under GASB 34. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference is reported as *net position*. Over time increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 9 - 10 of this report.

Fund Financial Statements

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

The Board of the School adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for its governmental funds to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 11 – 14 of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 15 – 26 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, the net position was \$5,410,825 at the close of the fiscal year. A summary of the School's net position as of June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Cash	\$ 5,959	\$ 2,626
Investments	3,360,000	2,780,000
Prepaid expenses	69,664	8,630
Due from other agencies	311,969	47,827
Due from other divisions of The Doral Academy, Inc.	1,800,000	2,113,378
Capital assets, net	<u>50,987</u>	<u>36,280</u>
<b>Total Assets</b>	<u>5,598,579</u>	<u>4,988,741</u>
<b>Deferred outflows of resources</b>	-	-
Accounts payable and accrued liabilities	<u>187,754</u>	<u>184,278</u>
<b>Total Liabilities</b>	<u>187,754</u>	<u>184,278</u>
<b>Deferred inflows of resources</b>	-	-
<b>Net Position:</b>		
Net investment in capital assets and long-term receivables	1,850,987	2,136,280
Unrestricted	<u>3,559,838</u>	<u>2,668,183</u>
<b>Total Net Position</b>	<u>\$ 5,410,825</u>	<u>\$ 4,804,463</u>

At the end of both fiscal years, the School is able to report positive balances in total net position.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2021 and 2020 follows:

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Program Revenues		
Operating grants and contributions	\$ 274,738	\$ 18,996
Capital outlay funding	250,556	223,464
Lunch program	15,402	60,214
General Revenues		
Local sources (FTE and other non specific)	3,268,395	3,022,491
Other revenue	2,232	40,408
<b>Total Revenues</b>	<u>\$ 3,811,323</u>	<u>\$ 3,365,573</u>
 <b>EXPENSES</b>		
Instruction	\$ 1,742,956	\$ 1,762,230
Student support services	67,501	3,016
Instructional staff training	580	326
Board	31,045	29,450
School administration	325,042	292,902
Fiscal services	63,450	60,450
Food services	38,539	76,787
Central services	80,716	76,946
Pupil transportation services	-	2,837
Operation of plant	773,911	747,783
Maintenance of plant	81,221	59,864
Administrative technology services	-	9,046
<b>Total Expenses</b>	<u>3,204,961</u>	<u>3,121,637</u>
Increase in Net Position	606,362	243,936
Net Position at Beginning of Year	<u>4,804,463</u>	<u>4,560,527</u>
Net Position at End of Year	<u>\$ 5,410,825</u>	<u>\$ 4,804,463</u>

In the current year, Doral Performing Arts & Entertainment Academy's revenues and expenses increased by \$445,750 and \$83,324, respectively. Doral Performing Arts & Entertainment Academy had an increase in net position of \$606,362 for the year.

### **School Location**

The School occupies a facility located at 11100 NW 27<sup>th</sup> Street, Doral, Florida 33172. The facility is shared with Doral Academy Charter High School under a usage agreement and is also approved to operate at 2601 NW 112 Ave, Doral Florida, 33172.

### **Capital Improvement Requirements**

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

### **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.



## **Governmental Funds**

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Most of the School's operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of \$3,285,100. The fund balance unassigned and available for spending at the School's discretion is \$3,215,436. These funds will be available for the School's future ongoing operations.

## **Capital Assets**

The School's investment in capital assets as of June 30, 2021 amounts to \$50,987 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures and computer equipment. The School has no outstanding debt associated to capital assets.

## Governmental Fund Budget Analysis and Highlights

Prior to the start of the School's fiscal year, the Board of the School adopted an annual budget. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with the School's budget.

	Governmental Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State capital outlay funding	\$ 192,500	\$ 250,600	\$ 250,556
Federal sources	88,625	14,050	14,125
Charges for services	1,000	1,000	1,277
General Revenues			
FTE nonspecific revenues	3,194,764	3,267,658	3,268,395
Charges and other revenues	58,100	2,000	2,232
Total Revenues	\$ 3,534,989	\$ 3,535,308	\$ 3,536,585
<b>CURRENT EXPENDITURES</b>			
Instruction	\$ 1,576,177	\$ 1,729,664	\$ 1,726,189
Student support services	70,216	69,262	67,501
Instructional staff training	600	600	580
Board	35,250	35,250	31,045
School administration	314,032	324,032	323,869
Fiscal services	57,750	63,450	63,450
Food services	40,157	39,457	38,539
Central services	71,750	77,500	77,417
Operation of plant	631,774	784,725	771,729
Maintenance of plant	83,000	83,000	81,221
Total Current Expenditures	\$ 2,880,706	\$ 3,206,940	\$ 3,181,540

Most variances occurred as a result of the budget adopted being more conservative than actual results for the year.

### Requests for Information

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to Ms. Ana Martinez at Academica Dade, LLC 6340 Sunset Drive, Miami, Florida 33143.

Doral Performing Arts and Entertainment Academy  
(A charter school under The Doral Academy, Inc.)

Statement of Net Position  
June 30, 2021

	<u>Primary Government</u>
	<u>Governmental Activities</u>
<b><u>Assets</u></b>	
Current assets:	
Cash	\$ 5,959
Investments	3,360,000
Prepaid expenses	69,664
Due from other agencies	<u>311,969</u>
Total current assets	3,747,592
Capital assets, depreciable	100,674
Less: accumulated depreciation	<u>(49,687)</u>
	50,987
Due from other divisions of The Doral Academy, Inc., long-term	<u>1,800,000</u>
Total Assets	<u>5,598,579</u>
<b><u>Deferred Outflows of Resources</u></b>	<u>-</u>
<b><u>Liabilities</u></b>	
Current liabilities:	
Accounts payable and accrued expenses	150,037
Salaries and wages payable	<u>37,717</u>
Total current liabilities	187,754
<b><u>Deferred Inflows of Resources</u></b>	<u>-</u>
<b>Net Position:</b>	
Net investment in capital assets and long-term receivables	1,850,987
Unrestricted	<u>3,559,838</u>
Total Net Position	<u>\$ 5,410,825</u>

The accompanying notes are an integral part of this financial statement.

Doral Performing Arts and Entertainment Academy  
(A charter school under The Doral Academy, Inc.)

Statement of Activities  
For the year ended June 30, 2021

	<b>Program Revenues</b>				<b>Net (Expense) Revenue and Changes in Net Position</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
Instruction	\$ 1,742,956	\$ -	\$ 257,189	\$ -	\$ (1,485,767)
Student support services	67,501	-	17,549	-	(49,952)
Instructional staff training	580	-	-	-	(580)
Board	31,045	-	-	-	(31,045)
School administration	325,042	-	-	-	(325,042)
Fiscal services	63,450	-	-	-	(63,450)
Food services	38,539	1,277	14,125	-	(23,137)
Central services	80,716	-	-	-	(80,716)
Operation of plant	773,911	-	-	250,556	(523,355)
Maintenance of plant	81,221	-	-	-	(81,221)
<b>Total governmental activities</b>	<b>3,204,961</b>	<b>1,277</b>	<b>288,863</b>	<b>250,556</b>	<b>(2,664,265)</b>
General revenues:					
FTE and other nonspecific revenues					3,268,395
Other revenues					2,232
Change in net position					606,362
Net position, beginning					4,804,463
Net position, ending					<b>\$ 5,410,825</b>

The accompanying notes are an integral part of this financial statement.

Doral Performing Arts and Entertainment Academy  
(A charter school under The Doral Academy, Inc.)

Balance Sheet - Governmental Funds  
June 30, 2021

	General Fund	Special Revenue Fund	Non-Major Governmenta l Fund	Total Governmental Funds
<b><u>Assets</u></b>				
Cash	\$ 5,959	\$ -	\$ -	\$ 5,959
Investments	3,360,000	-	-	3,360,000
Prepaid expenses	69,664	-	-	69,664
Due from other agencies	18,310	-	18,921	37,231
Due from fund	18,921	-	-	18,921
Total Assets	<u>3,472,854</u>	<u>-</u>	<u>18,921</u>	<u>3,491,775</u>
<b>Deferred Outflows of Resources</b>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Liabilities</u></b>				
Salaries and wages payable	37,717	-	-	37,717
Accounts payable and accrued expenses	150,037	-	-	150,037
Due to fund	-	-	18,921	18,921
Total Liabilities	<u>187,754</u>	<u>-</u>	<u>18,921</u>	<u>206,675</u>
<b>Deferred Inflows of Resources</b>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Fund balance</u></b>				
Nonspendable, not in spendable form	69,664	-	-	69,664
Unassigned	3,215,436	-	-	3,215,436
	<u>3,285,100</u>	<u>-</u>	<u>-</u>	<u>3,285,100</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 3,472,854</u>	<u>\$ -</u>	<u>\$ 18,921</u>	<u>\$ 3,491,775</u>

The accompanying notes are an integral part of this financial statement.

Doral Performing Arts and Entertainment Academy  
(A charter school under The Doral Academy, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position  
June 30, 2021

---

Total Fund Balance - Governmental Funds \$ 3,285,100

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the fund.

Capital assets	100,674	
Accumulated depreciation	<u>(49,687)</u>	50,987

Receivables in governmental activities that are not collected within 60 days are not current financial resources and therefore are not reported in the governmental funds. 274,738

Long term receivables in governmental activities are not financial resources and therefore are not reported in the governmental funds. 1,800,000

Total Net Position - Governmental Activities \$ 5,410,825

Doral Performing Arts and Entertainment Academy  
(A charter school under The Doral Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds  
For the year ended June 30, 2021

	General Fund	Special Revenue Fund	Non-Major Governmenta l Fund	Total Governmental Funds
<b>Revenues:</b>				
State passed through local	\$ 3,268,395	\$ -	\$ -	\$ 3,268,395
State capital outlay funding	-	-	250,556	250,556
Federal sources	-	14,125	-	14,125
Lunch fees	-	1,277	-	1,277
Other revenue	2,232	-	-	2,232
<b>Total Revenues</b>	<b>3,270,627</b>	<b>15,402</b>	<b>250,556</b>	<b>3,536,585</b>
<b>Expenditures:</b>				
<b>Current</b>				
Instruction	1,503,553	222,636	-	1,726,189
Student support services	49,952	17,549	-	67,501
Instructional staff training	580	-	-	580
Board	31,045	-	-	31,045
School administration	323,869	-	-	323,869
Food services	-	38,539	-	38,539
Fiscal services	63,450	-	-	63,450
Central services	77,417	-	-	77,417
Operation of plant	521,173	-	250,556	771,729
Maintenance of plant	81,221	-	-	81,221
<b>Capital Outlay:</b>				
Other capital outlay	3,575	34,553	-	38,128
<b>Total Expenditures</b>	<b>2,655,835</b>	<b>313,277</b>	<b>250,556</b>	<b>3,219,668</b>
Excess (deficit) of revenues over expenditures	614,792	(297,875)	-	316,917
<b>Other financing sources (uses)</b>				
Transfers in (out)	(297,875)	297,875	-	-
Long term collections, net	300,000	-	-	300,000
<b>Net change in fund balance</b>	<b>616,917</b>	<b>-</b>	<b>-</b>	<b>616,917</b>
<b>Fund Balance at beginning of year</b>	<b>2,668,183</b>	<b>-</b>	<b>-</b>	<b>2,668,183</b>
<b>Fund Balance at end of year</b>	<b>\$ 3,285,100</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,285,100</b>

The accompanying notes are an integral part of this financial statement.

Doral Performing Arts and Entertainment Academy  
(A charter school under The Doral Academy, Inc.)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities

For the year ended June 30, 2021

---

Net Change in Fund Balance - Governmental Funds \$ 616,917

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense.

Capital outlays	3,575	
expense	<u>(23,421)</u>	14,707

Receivables in governmental activities that are not collected within 60 days are not current financial resources and therefore are not reported in the governmental funds. \$ 274,738

Issuance of long-term receivables represents a financial expenditure to governmental funds, but increases long-term assets in the statement of net position. Increase in long-term receivables is an expenditure in the governmental funds, but a decrease or collection of such receivables reduces long-term assets in the statement of net position. This is the amount by which collections of \$300,000 exceeded advances of long-term receivables in the current period of \$-0-. (300,000)

Change in Net Position of Governmental Activities \$ 606,362

The accompanying notes are an integral part of this financial statement.



## **Note 1 – Summary of Significant Accounting Policies**

### **Reporting Entity**

Doral Performing Arts and Entertainment Academy (the “School”), is a charter school sponsored by the School Board of Miami-Dade County, Florida (the “District”). The Schools charter is held by The Doral Academy, Inc., a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the board of directors of The Doral Academy, Inc., which is composed of five members and also governs other charter schools. The board has determined no component units exist that would require inclusion in the School’s financial statements.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring District, the School Board of Miami-Dade County, Florida. The former charter between the district and Doral College, Inc. was amended and renewed under Doral Academy, Inc. for the remainder of the term. The current charter expires on June 30, 2030 and it can be renewed in accordance with law. A charter can also be terminated before its date of expiration for reasons set forth in the charter and Section 1002.33 of the Florida Statutes.

The School is located in Doral, Florida for students from ninth through twelfth grades. These financial statements are for the year ended June 30, 2021, when on average 423 students were enrolled for the school year.

### **Basis of Presentation**

The School’s accounting policies conform to accounting principles generally accepted in the United States as applicable to state and local governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

### **Government-wide and Fund Financial Statements**

#### *Government-wide Financial Statements*

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities. These statements also do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Program revenues include: (1) charges for services which report fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) capital grants specific to capital outlay. In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues and other miscellaneous sources.

*Fund Financial Statements*

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred income of resources, equity, revenues and expenditures. The School reports the major governmental funds with all non-major funds aggregated in a single column.

*General Fund* - is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

*Special Revenue Fund* – accounts for specific revenues, such as federal funding, federal lunch program, and COVID-19 emergency relief funding that are legally restricted to expenditures for particular purposes

Measurement Focus and Basis of Accounting

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidance*.

The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions.

Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied. Donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined.

**Note 1 – Summary of Significant Accounting Policies (continued)**

“Available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgets and Budgetary Accounting

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g. salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g. instruction, pupil personnel services and school administration). Revisions to the annual budget are approved by the Board.

Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, non-marketable time deposits with maturities of three months or less when purchased, and money market/savings accounts.

The School has not adopted a formal deposit and investment policy that limits the School’s allowable deposits or investments and address specific types of risk; however the School invests excess deposit funds in a government money market mutual fund. The School follows the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, GASB Statement No. 72, *Fair Value Measurement and Application*, and other related standards which establish accounting and financial reporting standards for all investments (see Note 2). Money market investment that have maturities of one year or less from the date of acquisition are reported at amortized cost rather than fair value. Amortized cost closely approximates fair value.

Inter-fund Transfers

Inter-fund receivables/payables are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund.

Due from Other Governments or Agencies

Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Capital Assets

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with a cost of \$1,000 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized.

The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. Capital assets are depreciated using the straight-line method. When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded in the government wide statements. Proceeds received from the sale or disposal of capital assets are recorded as Other Financing Sources in the governmental funds. Estimated useful lives, in years, for depreciable assets are as follows:

Improvements	5-10 Years
Furniture and Equipment	5 Years
Textbooks	3 Years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

Revenue Sources

Revenues for operations will be received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for lease of school facilities. In addition, the School may receive a portion of the local capital improvement ad valorem tax revenues levied by the District.

Finally, the School also receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Income Taxes

The Doral Academy, Inc. qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Net Position and Fund Balance Classifications

*Government-wide financial statements*

Equity is classified as net position and displayed in three (3) components:

- a) Net investment in capital assets and long-term receivables - consists of capital assets net of accumulated depreciation and long-term receivables, and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
- b) Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- c) Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets and long-term receivables".

**Note 1 – Summary of Significant Accounting Policies (continued)**

When both restricted and unrestricted resources are available for a specific purpose, it is the Schools's policy to use restricted resources first, until exhausted, before using unrestricted resources.

*Fund financial statements*

Under GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

- a) Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with prepaid expenses (unless the proceeds are restricted, committed, or assigned).
- b) Restricted - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
- d) Assigned - fund balance classification are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no assigned fund balances at year end.
- e) Unassigned - portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Pronouncements Issued But Not Yet Effective

GASB has issued GASB Statement No. 87 *Leases*, effective fiscal year 2022, that will affect the future financial position, results of operations, or financial presentation of the School upon implementation. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements.

## **Note 1 – Summary of Significant Accounting Policies (continued)**

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

### Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure September 14, 2021, which is the date the financial statements were available to be issued.

## **Note 2 – Cash, Cash Equivalents and Investments**

### Deposits

The School maintains its cash and cash equivalents in one financial institutions. Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Doral Academy, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of Doral Academy, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2021, bank balances in potential excess of FDIC coverage was \$2,326

### Investments

The School follows the Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in markets for identical assets; Level 2 inputs are significant other observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.); Level 3 inputs are significant unobservable inputs.

At June 30, 2021, the School had \$4,420,000 invested in a governmental money market mutual fund that is exempt from GASB 72 fair value hierarchy disclosures. The governmental money market mutual fund values its portfolio securities at amortized cost which approximates fair value. The government money market mutual fund primarily invests in cash, high quality, short-term U.S. government securities and/or repurchase agreements that are collateralized fully by government securities that have been valued by the fund as Level 2. As of June 30, 2021, maturities of the fund's portfolio holdings are approximately 79% within 30 days.

### Credit Risk

*Concentration of credit risk* is the risk of loss attributed to the magnitude of investments in a single issuer. The School manages its exposure to credit risk by limiting investments to highly rated government money market mutual funds. The fund is rated Aaa-mf by Moody's.

**Note 2 – Cash, Cash Equivalents and Investments (continued)**

*Custodial credit risk* is the risk that in the event of a failure of a depository financial institution or counterparty that is in possession of investment or collateral securities, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the School will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. At June 30, 2021, all of the School’s investments in government money market mutual funds were held in a separate account and designated as assets of the School.

*Interest rate risk* is the risk that changes in interest rate will adversely affect the fair value of an investment. The School manages its exposure to declines in fair values by limiting all investments to government money market mutual funds that can be redeemed daily.

**Note 3 – Capital Assets**

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2021:

	Balance 07/01/20	Additions	Retirements	Balance 06/30/21
Capital Assets:				
Improvements	\$ 10,904	\$ -	\$ -	\$ 10,904
Furniture, equipment and textbooks	356,086	38,128	(309,562)	84,652
Computer software	5,118	-	-	5,118
Total Capital Assets	372,108	38,128	(309,562)	100,674
Less Accumulated Depreciation:				
Improvements	(191)	(2,181)	-	(2,372)
Furniture, equipment and textbooks	(333,087)	(19,534)	309,562	(43,059)
Computer software	(2,550)	(1,706)	-	(4,256)
Total Accum. Depreciation	(335,828)	(23,421)	309,562	(49,687)
Capital Assets, net	<u>\$ 36,280</u>	<u>\$ 14,707</u>	<u>\$ -</u>	<u>\$ 50,987</u>

For the fiscal year ended June 30, 2021, depreciation expense is allocated in the Statement of Activities by function as follows:

Instruction	\$	16,767
Operation of plant		2,182
Central services		3,299
School administration		1,173
Total Depreciation Expense	<u>\$</u>	<u>23,421</u>



**Note 4 – Education Service and Support Provider**

Academica Dade, LLC, a professional charter school education service and support provider, provides administrative services to the School including, but not limited to, facility design, staffing recommendations, human resource coordination, regulatory compliance, legal and corporate upkeep, maintenance of the books and records, bookkeeping, budgeting, financial reporting and virtual services. The agreement with the education service provider calls for a fee on a per student basis. The agreement is with Doral Academy, Inc., through June 30, 2022, and unless terminated by the board shall be renewed along with any renewals to the charter agreement. During the year ended June 30, 2021, the School incurred \$190,350 in fees.

**Note 5 – Transactions with other Divisions of The Doral Academy, Inc.**

During 2021, the School was located on the premises of Doral Academy High School (a charter school under The Doral Academy, Inc.). Management allocates a proportionate share of leases, salaries, lunch receipts, food and supplies, and other expenses to each school individually based on student enrollment. In addition, Doral Academy High School holds the student activities fund of the School. The School’s lunch program is shared with various other charter schools under The Doral Academy, Inc. Revenues and expenses related to such program have been allocated based on FTE equivalent for purposes of presentation in the financial statements.

The following schedule provides a summary of changes in long-term receivables for the year ended June 30, 2021:

	Balance 06/30/20	Additions	Repayments	Balance 06/30/21
The Doral Academy, Inc.	\$1,800,000	\$ -	\$ -	\$1,800,000
Due from Doral Academy High School	300,000	-	(300,000)	-
Long-term receivables	<u>\$2,100,000</u>	<u>\$ -</u>	<u>\$ (300,000)</u>	<u>\$1,800,000</u>

The Doral Academy, Inc. charges all its affiliated schools an assessment for shared corporate costs and accreditation expenses. The School paid The Doral Academy, Inc. \$84,600 in connection with these charges during the year.

**Note 6 – Commitments, Contingencies, and Concentrations**

The School entered into a lease and security agreement (“agreement”) with School Development, LLC (the “Landlord”, an affiliate of the School’s education service and support provider – Note 4) for its 57,000 square foot building including all ancillary facilities, outdoor areas and other improvements. Fixed initial annual payments under this agreement were based on a rate of \$30.23 per square footage of the building, which amounted to \$1,722,842 adjusted annually based on the Consumer Price Index (CPI) plus additional property costs including repairs, maintenance and insurance. The agreement continues through June 30, 2036 with an option to renew for an additional two five-year term

**Note 6 – Commitments, Contingencies and Concentrations (continued)**

For 2021, rent expense totaled approximately \$332,000. Lease payments are allocated between School and Doral Academy High School based on enrollment and usage of facility. The allocation used for 2021, was approximately 18% for the School and 82% for Doral Academy High School.

Future minimum payments under these leases are as follows:

<u>Year</u>	
2022	\$1,813,000
2023	\$1,813,000
2024	\$1,813,000
2025	\$1,813,000
2026	\$1,813,000
2027-2031	\$9,066,000 (Total for a five year period)
2032-2036	\$9,066,000 (Total for a five year period)

**Bond Issue and Repayment**

On January 4, 2018, Miami-Dade County Industrial Development Authority issued tax-exempt revenue bonds of \$22,045,000 on behalf of The Doral Academy, Inc. (the Organization), to be secured by a first mortgage on the land owned by the Organization as well as revenues of Doral Academy Charter Middle School, Doral Academy Charter High School, Doral Performing Arts & Entertainment Academy, and Doral Academy of Technology (the “Four Schools”). The proceeds of the bond issue have been used to fund the acquisition, design, construction, installation and equipping of a 91,000 square foot, six story building known as the Doral Hall Educational Facility (“Doral Hall”), fund a debt service reserve fund, and pay costs of the bond issuance.

Through a Usage Fee Agreement approved by the Board of Directors of the Organization, all Capital and Operating costs as defined herein will be due on a monthly basis commencing on the first day of the first full calendar month following the date on which the Organization receives a temporary certificate of occupancy for Doral Hall.

All costs of the acquisition, design, permitting, construction, equipping (“Capital Costs”) and operations including interest expense, ongoing financing fees, all insurance, all taxes, property management fees, utilities, maintenance, repairs, replacements (“Operating Costs”) of Doral Hall, together with an annual administrative fee of 5% of the sum of the Capital and Operating Costs each year, shall be shared among the Four Schools in proportion to their relative annual student enrollments. The certificate of occupancy was obtained on April 11, 2019. Usage fee in relation to this agreement for the year ended June 30, 2021 was approximately \$151,000. The allocation used for 2021, was approximately 18% for the School and 82% for Doral Academy High School.

**Note 6 – Commitments, Contingencies, and Concentrations (continued)**

The School’s debt agreements contain various covenants, restrictions and financial test requirements. In the event an instance of default is not remedied, the maturity can be accelerated and / or the underlying collateral may be subject to foreclosure.

The debt service on the tax-exempt bond financing for the Organization (which will be allocated among the Four Schools) is as follows:

Year	Principal	Interest	Total
2022	\$ 385,000	\$ 1,051,500	\$ 1,436,500
2023	\$ 405,000	\$ 1,032,250	\$ 1,437,250
2024	\$ 425,000	\$ 1,012,000	\$ 1,437,000
2025	\$ 445,000	\$ 990,750	\$ 1,435,750
2026	\$ 470,000	\$ 968,500	\$ 1,438,500
2027-2031	\$ 2,715,000	\$ 4,467,250	\$ 7,182,250 (total for five year period)
2032-2036	\$ 3,460,000	\$ 3,717,000	\$ 7,177,000 (total for five year period)
2037-2041	\$ 4,415,000	\$ 2,761,000	\$ 7,176,000 (total for five year period)
2042-2046	\$ 5,635,000	\$ 1,541,500	\$ 7,176,500 (total for five year period)
2047-2048	\$ 2,675,000	\$ 202,250	\$ 2,877,250 (total for two year period)

Contingencies and Concentrations

The School receives substantially all of its funding from the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations.

Additionally, the School receives various forms of federal, state and local funding which are subject to financial and compliance audits. It is the opinion of management that the amount of funding, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 2% of the qualifying revenues of the School. For the year ended June 30, 2021, administrative fees withheld by the School District totaled \$34,220.

**Note 7 – Inter-fund Transfers**

Inter-fund transfers in governmental funds as of June 30, 2021 consist of the following:

	General Fund	Special Revenue Fund	Capital Projects Fund (Non- Major)
To fund lunch deficit	\$ (23,137)	\$ 23,137	\$ -
Due to general fund for Title IV current period expenditures	(16,199)	16,199	-
Due to general fund for GEER current period expenditures	(73,857)	73,857	-
Due to general fund for ESSER II current period expenditures	(184,682)	184,682	-
Total Transfers, net	<u>\$ (297,875)</u>	<u>\$ 297,875</u>	<u>\$ -</u>
Due to General Fund from Capital Projects Fund for capital outlay	\$ 18,921	\$ -	\$ (18,921)
Total Due from/(Due to)	<u>\$ 18,921</u>	<u>\$ -</u>	<u>\$ (18,921)</u>

**Note 8 – Risk Management**

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the prior year. The School has entered into a strategic relationship with ADP TotalSource, Inc., a human resource management firm, typically known as “Professional Employer Organization” (PEO). Under a co-employment agreements, the PEO is the employer of record and is responsible for administering payroll, payroll taxes, provide employee benefits and assist with human resources and risk management. Accordingly, certain human resource related risks are transferred to the PEO. Nevertheless, the School may be subject to risks, including loss, penalties and fines related to employment practices, administrative error and omissions.

**Note 9 – Defined Contribution Retirement Plan**

The School’s personnel, who are leased through ADP TotalSource Group, Inc., are eligible to participate in a defined contribution 401(k) plan sponsored by the leasing company, covering employees who meet certain age and tenure requirements. Under the ADP TotalSource Retirement Savings Plan (the “Plan”), the School approved a match of 100% of the employee’s contribution up to 4% of the employee’s compensation. The School contributed to the Plan \$33,961 for the year ended June 30, 2021. The School does not exercise any control or fiduciary responsibility over the Plan’s assets, which are administered by Voya Financial.

REQUIRED SUPPLEMENTARY INFORMATION

Doral Performing Arts and Entertainment Academy  
(A charter school under The Doral Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the year ended June 30, 2021

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 3,194,764	\$ 3,267,658	\$ 3,268,395
Other revenue	58,100	2,000	2,232
Total Revenues	<u>3,252,864</u>	<u>3,269,658</u>	<u>3,270,627</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	1,566,552	1,506,552	1,503,553
Student support services	50,696	50,696	49,952
Instructional staff training	600	600	580
Board	35,250	35,250	31,045
School administration	314,032	324,032	323,869
Fiscal services	57,750	63,450	63,450
Central services	71,750	77,500	77,417
Operation of plant	439,274	534,125	521,173
Maintenance of plant	83,000	83,000	81,221
Total Current Expenditures	<u>2,618,904</u>	<u>2,675,205</u>	<u>2,652,260</u>
Excess of Revenues			
Over Current Expenditures	<u>633,960</u>	<u>594,453</u>	<u>618,367</u>
Capital Outlay	-	5,000	3,575
Total Expenditures	<u>2,618,904</u>	<u>2,680,205</u>	<u>2,655,835</u>
Excess of Revenues Over Expenditures	633,960	589,453	614,792
Other financing sources (uses):			
Transfers in (out)	(15,121)	(301,529)	(297,875)
Long term collections, net	-	300,000	300,000
Net change in fund balance	618,839	587,924	616,917
Fund Balance at beginning of year	<u>2,668,183</u>	<u>2,668,183</u>	<u>2,668,183</u>
Fund Balance at end of year	<u>\$ 3,287,022</u>	<u>\$ 3,256,107</u>	<u>\$ 3,285,100</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

Doral Performing Arts and Entertainment Academy  
(A charter school under The Doral Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the year ended June 30, 2021

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Federal sources	\$ 88,625	\$ 14,050	\$ 14,125
Lunch fees	1,000	1,000	1,277
Total Revenues	<u>89,625</u>	<u>15,050</u>	<u>15,402</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	9,625	223,112	222,636
Student support services	19,520	18,566	17,549
Food services	40,157	39,457	38,539
Total Current Expenditures	<u>69,302</u>	<u>281,135</u>	<u>278,724</u>
Excess (Deficit) of Revenues Over Current Expenditures	<u>20,323</u>	<u>(266,085)</u>	<u>(263,322)</u>
Capital Outlay	<u>35,444</u>	<u>35,444</u>	<u>34,553</u>
Total Expenditures	<u>104,746</u>	<u>316,579</u>	<u>313,277</u>
Excess (deficit) of Revenues Over Expenditures	(15,121)	(301,529)	(297,875)
Other financing sources (uses)			
Transfers in (out)	<u>15,121</u>	<u>301,529</u>	<u>297,875</u>
Net change in fund balance	-	-	-
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

---

Board of Directors of  
Doral Performing Arts and Entertainment Academy  
Doral, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Doral Performing Arts and Entertainment Academy (the "School") as of, and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report September 14, 2021.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We issued a separate management letter September 14, 2021, pursuant to Chapter 10.850, Rules of the Auditor General.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature in blue ink that reads "HLB Gravier, LLP".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 14, 2021



## MANAGEMENT LETTER

Board of Directors of  
Doral Performing Arts and Entertainment Academy  
Doral, Florida

### **Report on the Financial Statements**

We have audited the financial statements of Doral Performing Arts and Entertainment Academy, Doral, Florida, as of and for the fiscal year ended June 30, 2021 and have issued our report thereon dated September 14, 2021.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedules, which are dated September 14, 2021, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no findings or recommendations made in the preceding financial audit report.

### **Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Doral Performing Arts and Entertainment Academy, 7009.

## **Financial Condition and Management**

Sections 10.854(1)(e)2 and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not Doral Performing Arts and Entertainment Academy has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific condition(s) met. In connection with our audit, we determined that Doral Performing Arts and Entertainment Academy did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for Doral Performing Arts and Entertainment Academy. It is management's responsibility to monitor Doral Performing Arts and Entertainment Academy's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any recommendations.

## **Transparency**

Sections 10.854(1)(e)7 and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether Doral Performing Arts and Entertainment Academy maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Doral Performing Arts and Entertainment Academy maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

## **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, require us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

## **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, School Board of Miami-Dade County, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 14, 2021